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REMARKS

I. <u>Introduction</u>

A. Status of the Claims

Applicants respectfully request reconsideration of the present application in view of the foregoing amendments and the following remarks.

Claims 12, 25, 26, 27, 28, 29 and 30 are currently being amended.

No claims presently are being added.

Claim 32 is requested to be cancelled. Applicants reserve the right to pursue the subject matter of the canceled claims in subsequent divisional applications. The cancellation of claims does not constitute acquiescence in the propriety of any rejection set forth by the Examiner.

This amendment adds, changes and/or deletes claims in this application. A detailed listing of all claims that are, or were, in the application, irrespective of whether the claim(s) remain under examination in the application, is presented, with an appropriate defined status identifier.

Exemplary support for the amendments to claims 12, 25, 26, 27 and 29 is found in the specification on page 16, line 24, through page 17, line 2, page 52, lines 11-12; and pages 52-53.

Upon entry of the foregoing amendments, claims 12, 23-31, and 33-34 will remain pending in the application.

It is acknowledged that the foregoing amendments are submitted after final rejection. However, because the amendments do not introduce new matter or raise new issues, and because the amendments either place the application in condition for allowance or at least in better condition for appeal, entry thereof by the Examiner is respectfully requested.

B. Interviews of July 20 and 21, 2004

Applicants would like to thank Examiner Holleran for her time and insights during telephone interviews with Applicants' representative on July 20 and 21, 2004. During these telephone interviews, the Examiner suggested claim language that would overcome the rejections under 102(a), (b) and (e). The Examiner agreed that written description support for the claim amendments is provided in the specification on page 16, line 24, through page 17, line 2. The Examiner indicated that the claims would be in condition for allowance if the claims were amended as suggested by the Examiner. To expedite prosecution, Applicants have amended the claims as suggested by the Examiner.

II. Issues Related to Lack of Antecedent Basis

The Examiner asserts that the proposed amendment of claim 12 (in subsection "c") causes claim 25 to lack antecedent basis. Applicants have amended claim 25 to recite "the polypeptide of claim 12, wherein said polypeptide comprises a sequence having at least 95% identity over the length of amino acid residues 49 - 294 SEQ ID NO: 2." Therefore, claim 25, as amended, does not lack antecedent basis.

III. Issues Related to the Rejections of the Claims Under 35 U.S.C. § 102(a), (b) and (e)

A. Rejection of Claims 12, 27 and 29 under 35 U.S.C. § 102(a) as being Anticipated by Q93095

The Examiner asserts that Q93095 anticipates claims 12 (specifically 12(c) and 12(d)), 27 and 29 because Q93095 teaches a polypeptide that comprises amino acids 164-243 of SEQ ID NO: 2. Applicants have amended claims 12(c) and 12(d) as suggested by the Examiner to read as follows:

"(c) an amino acid sequence comprising a sequence having at least 90% identity over the length of amino acid residues 49-294 of SEQ ID NO:2; or

- (d) an amino acid sequence comprising a sequence having at least 90% identity over the length of amino acid residues 49-294 of SEQ ID NO:2 and lacking amino acid residues 1-48 or amino acid residues 295-807."
- Applicants have also amended claims 27 and 29 in a similar fashion. Therefore, claims 12, 27 and 29, as amended, are not anticipated by Q93095. Applicants respectfully request reconsideration and withdrawal of the rejection.

B. Rejection of Claims 12, 27 and 29 under 35 U.S.C. § 102(b) as being Anticipated by Mathews

The Examiner asserts that Mathews anticipates claims 12 (specifically 12(b), 12(c) and 12(d)), 27 and 29 because Mathews teaches a polypeptide comprising amino acids 89-120 of SEQ ID NO:2. Applicants have amended claims 12 (b), 12(c) and 12(d) as suggested by the Examiner to read as follows:

- "(b) an amino acid sequence comprising a sequence having at least 90% identity over the length of amino acid residues 49-294 of SEQ ID NO: 2 and lacking amino acid residues 1-48 of SEQ ID NO: 2;
- (c) an amino acid sequence comprising a sequence having at least 90% identity over the length of amino acid residues 49-294 of SEQ ID NO:2; or
- (d) an amino acid sequence comprising a sequence having at least 90% identity over the length of amino acid residues 49-294 of SEQ ID NO:2 and lacking amino acid residues 1-48 or amino acid residues 295-807."

Applicants have also amended claims 27 and 29 in a similar fashion. Therefore, claims 12, 27 and 29, as amended, are not anticipated by Mathews. Applicants respectfully request reconsideration and withdrawal of the rejection.

C. Rejection of Claims 12, 27, 29, 31, 33 and 34 under 35 U.S.C. § 102(e) as being Anticipated by Cheng

The Examiner asserts that Cheng anticipates claims 12, 27, 29, 31, 33 and 34 because Cheng teaches a polypeptide that comprises amino acids 790-802 of SEQ ID NO: 2 and because Cheng teaches a polypeptide that is at least 90% identical to a sequence of amino acids 24-294 of SEQ ID NO: 2. The Examiner further asserts that Cheng teaches a polypeptide fused to a GST polypeptide and pharmaceutical compositions. Applicants respectfully request reconsideration and withdrawal of the rejection.

Applicants respectfully disagree with the Examiner's assertion that Cheng teaches a polypeptide that is at least 90% identical to a sequence of amino acids 24-294 of SEQ ID NO:

2. The sequence alignment between the polypeptide of Cheng and SEQ ID NO: 2 of the present invention provided by the Examiner with the October 3, 2002 office action shows only 85.6% sequence identity. Applicants also note that the polypeptide of Cheng is not at least 90% identical over the length of amino acids 49-294 of SEQ ID NO: 2.

As discussed above, Applicants have amended claims 12 (b), 12(c) and 12(d) as suggested by the Examiner to read as follows:

- "(b) an amino acid sequence comprising a sequence having at least 90% identity over the length of amino acid residues 49-294 of SEQ ID NO: 2 and lacking amino acid residues 1-48 of SEQ ID NO: 2;
- (c) an amino acid sequence comprising a sequence having at least 90% identity over the length of amino acid residues 49-294 of SEQ ID NO:2; or
- (d) an amino acid sequence comprising a sequence having at least 90% identity over the length of amino acid residues 49-294 of SEQ ID NO:2 and lacking amino acid residues 1-48 or amino acid residues 295-807."

Applicants have also amended claims 27 and 29 in a similar fashion. Therefore, claims 12, 27 and 29, as amended, are not anticipated by Cheng.

With respect to claims 31, 33 and 34, because amended claim 12 is not anticipated by Cheng for the reasons discussed above, dependent claims 31, 33 and 34 are also not anticipated by Cheng.

IV. Other Issues Raised by the Examiner in the Advisory Action

The Examiner asserts that the proposed amendment introduced new matter because the proposed claims would be drawn to polypeptides comprising fragments of PTP04 that do not have enzymatic activity. The claims as amended herein are not drawn to polypeptides comprising fragments of PTP04 that do not have enzymatic activity.

The Examiner also states that the second proposed after-final amendment contains a change that is not underlined, but was underlined in the after-final amendment filed October 10, 2003 that was not entered. The claims as amended herein show the changes that were made in the non-entered after-final amendment filed October 10, 2003.

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CONCLUSION

Applicants believe that the present application is now in condition for allowance, and request favorable reconsideration thereof.

If the Examiner believes that an interview would advance prosecution of the application, she is invited to contact the undersigned by telephone.

If there are any unaccounted fees due in connection with the filing of this Amendment, please charge the fees to our Deposit Account No. 19-0741. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 19-0741.

Date July 23, 2004

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Respectfully submitted

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